

## TELECOMMUNICATIONS

### Regulated telecommunications companies

Albion Telephone Corp.	Albion
Cambridge Telephone Co.	Cambridge
CenturyLink*	Boise
CenturyTel of Idaho, Inc.*	Salt Lake City, UT
CenturyTel of the Gem State*	Salt Lake City, UT
Citizens Telecommunications Company of Idaho*	Beaverton, OR
Columbine, dba Silver Star Communications	Freedom, WY
Frontier Communications Northwest, Inc.*	Beaverton, OR
Direct Communications Rockland, Inc.	Rockland
Inland Telephone Co.	Roslyn, WA
Fremont Telecom, Inc.	Missoula, MT
Midvale Telephone Company	Midvale
Oregon-Idaho Utilities, Inc.	Nampa
Pine Telephone System, Inc.	Halfway, OR
Potlach Telephone Company	Kendrick
Rural Telephone Company	Glenns Ferry

\* These companies are no longer rate regulated; however, they are still regulated for customer service.

## TELECOMMUNICATIONS CASES

### Public meetings held regarding future of Idaho Universal Service Fund

The Commission held two public workshops in 2018 aimed at exploring options for the Idaho Universal Service Fund (IUSF).

The IUSF was established through the Idaho Telecommunications Act of 1988 to ensure that all Idahoans have access to local telephone service at reasonable rates. It accomplishes this by taking revenue collected via a surcharge assessed on all land-line users and long-distance call minutes, and distributing that revenue to telecommunications carriers that meet certain eligibility requirements.



The fund has allowed rural telephone companies throughout the state to keep their rates at no more than 25 percent above rates in more urban areas, where the cost of providing service is less expensive.

In recent years, however, the fund's revenue has been insufficient to cover distributions. Only land line customers are assessed the fee and receive disbursements from it, and the number of Idahoans with landline telephone service has plummeted, replaced with new technology such as cell phones and Voice over Internet Protocol.

The Commission took steps in September 2017 to help the fund meet its obligations for the current year – raising the monthly surcharge to 25 cents for each residential phone line, up from 12 cents; increasing the assessment on each business line from 20 cents to 44 cents; and raising the cost for each minute of long-distance calls from a half-cent to 0.9 cents.

Fearing that the increased charges could cause more Idahoans to abandon their land lines for cell phones and Voice over Internet Protocol, exacerbating the IUSF's problems, the Commission opened a generic docket aimed at developing a sustainable approach for the fund.

The public and interested parties were encouraged to suggest solutions, with the ideas discussed at a public workshop held in Boise in January.

All parties at the workshop agreed that changes are needed in order to help ensure the fund is able to serve its intended purpose.

There also was consensus that the current surcharge amount should not be raised until a viable course of action has been determined regarding the fund's future, and that any changes to the fund's assessment and distribution mechanisms likely must be made by the state Legislature due to the fact that these mechanisms are spelled out in statute and are thus outside of the Commission's purview.

At the second public meeting, in the fall, the stakeholders agreed to collaborate to develop potential solutions.

### Commission waives ITSAP surcharge for 2<sup>nd</sup> straight year

State regulators in April suspended a surcharge that helps Idahoans afford basic telephone service.

The decision marks the second consecutive year the Commission has waived the surcharge that funds the Idaho Telecommunications Service Assistance Program (ITSAP) as the number of recipients and contributors continues to decline. The ITSAP provides a monthly discount of \$2.50 to qualified applicants, for landline and cell phone service. The program is funded through a small surcharge on all phone lines - business, residential and wireless.

The Commission determines the surcharge and the Idaho Department of Health and Welfare administers the program.

Continued on page 39

## TELECOMMUNICATIONS CASES, CONTINUED

As the number of Idahoans receiving financial assistance from ITSAP has declined, so has the amount of the surcharge, from 13 cents per month for each line in 1998, to 7 cents in 2013, and 3 cents in 2014.

In May 2017, the Commission suspended the surcharge for the 2017 budget year after the number of ITSAP recipients dropped 42 percent from the previous year.

The trend continued over the past year as the number of ITSAP recipients dropped by 34 percent.

There was also a decline in the number of land lines in 2017 - 21 percent from the previous year - and a 45-percent drop in the number of wireless phone lines.

The ITSAP administrator said the number of wireless lines reported for 2017 is likely not accurate, however, because some companies did not provide counts due to the suspension of the surcharge.

As a result, the Commission's order suspending the surcharge for the 2018 budget year calls for the ITSAP administrator to notify telecommunications companies of their reporting requirements.

